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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

DOUG LITTLE – Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

IN THE MATTER OF:

WMF MANAGEMENT, LLC, a Delaware limited liability company,

WOODBIDGE GROUP OF COMPANIES, LLC, a Delaware limited liability company,

WOODBIDGE MORTGAGE INVESTMENT FUND 1, LLC, a Delaware limited liability company,

WOODBIDGE MORTGAGE INVESTMENT FUND 2, LLC, a Delaware limited liability company,

WOODBIDGE MORTGAGE INVESTMENT FUND 3, LLC, a Delaware limited liability company,

WOODBIDGE MORTGAGE INVESTMENT FUND 3A, LLC, a Delaware limited liability company,

ROBERT H. SHAPIRO, an unmarried man,

ROBERT W. CARFAGNO, Sr., (CRD no. 2387162), and DEBRA L. CARFAGNO, husband and wife,

AIO FINANCIAL LLC, an Arizona limited liability company,

WILLIAM M. HOLLIDAY (CRD No. 4930333), and GUADALUPE A. HOLLIDAY, husband and wife,

Respondents.

DOCKET NO. S-20988A-16-0354

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Arizona Corporation Commission

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THIRD
PROCEDURAL ORDER
(Grants Extension for Filing)

BY THE COMMISSION:

On October 4, 2016, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Temporary Order to Cease and Desist and Notice of Opportunity for Hearing ("T.O. and Notice") against WMF Management, LLC, Woodbridge Group of Companies, LLC, Woodbridge Mortgage Investment Fund 1, LLC, Woodbridge Mortgage Investment Fund 2,

1 LLC, Woodbridge Mortgage Investment Fund 3, LLC, Woodbridge Mortgage Investment Fund 3A,
2 LLC, Robert H. Shapiro, Robert W. Carfagno, Sr. and Debra L. Carfagno (the "Carfagnos"), AIO
3 Financial LLC, William M. Holliday and Guadalupe A. Holliday (the "Hollidays") (collectively
4 "Respondents") in which the Division alleged violations of the Arizona Securities Act ("Act") and the
5 Investment Management Act ("IM Act") in connection with the offer and sale of securities in the form
6 of notes, investment contracts, and real property investment contracts, and the provision of investment
7 advisory services.

8 The spouses of Robert W. Carfagno, Sr. and William M. Holliday, Debra L. Carfagno and
9 Guadalupe A. Holliday, respectively, ("Respondent Spouses"), are joined in the action pursuant to
10 A.R.S. § 44-2031(C) solely for the purpose of determining the liability of the marital community.

11 On October 27, 2016, Counsel for the Carfagnos and Counsel for the Division filed a
12 Stipulation requesting that the deadlines to request a hearing and file an answer be extended for a period
13 of 60 days for the Carfagnos as they are currently negotiating a resolution of this matter.

14 Also on October 27, 2016, Counsel for Respondents WMF Management, LLC, Woodbridge
15 Group of Companies, LLC, Woodbridge Mortgage Investment Fund 1, LLC, Woodbridge Mortgage
16 Investment Fund 2, LLC, Woodbridge Mortgage Fund 3, LLC, Woodridge Mortgage Investment Fund
17 3A, LLC (collectively "Woodbridge Companies") and Robert H. Shaprio (collectively "Woodbridge
18 Respondents") filed a Request for Hearing pursuant to A.R.S. §§ 44-1972 and 44-3212, and Arizona
19 Administrative Code ("A.A.C.") R14-4-307.

20 Also on October 27, 2016, Counsel for Respondents AIO Financial, LLC, and the Hollidays,
21 filed a Request for Hearing pursuant to A.R.S. §§ 44-1972 and 44-3212, and Arizona Administrative
22 Code ("A.A.C.") R14-4-307.

23 On November 1, 2016, by Procedural Order, a pre-hearing conference was scheduled to
24 commence on November 28, 2016. The Procedural Order also granted a 60 day extension to the
25 Carfagnos to request a hearing and file an answer.

26 On November 4, 2016, the Woodbridge Respondents and the Division filed a Stipulation for
27 Extension of Deadline to File Answer ("Woodbridge Stipulation"). The Woodbridge Stipulation seeks
28 an extension for the Woodbridge Respondents to file an Answer as they have recently obtained counsel

1 who is in discussions with the Division regarding the exchange of information and the potential for
2 resolution of the matter.

3 IT IS THEREFORE ORDERED that the **Woodbridge Stipulation for an extension of time**
4 **for the Woodbridge Respondents to file an answer is granted. Respondents WMF Management,**
5 **LLC, Woodbridge Group of Companies, LLC, Woodbridge Mortgage Investment Fund 1, LLC,**
6 **Woodbridge Mortgage Investment Fund 2, LLC, Woodbridge Mortgage Investment Fund 3,**
7 **LLC, Woodbridge Mortgage Investment Fund 3A, LLC, and Robert H. Shapiro shall file their**
8 **answer to the T.O. and Notice by January 6, 2017.**

9 IT IS THEREFORE ORDERED that a **pre-hearing conference shall be held on November**
10 **28, 2016, at 10:00 a.m.,** at the Commission's offices, 1200 West Washington Street, Hearing Room 2,
11 Phoenix, AZ.

12 IT IS FURTHER ORDERED that each party or prospective party shall **refer to the Procedural**
13 **Order Regarding Consent to Email Service** issued in this matter on **November 1, 2016,** for
14 additional information regarding the process to consent to service by email. Information regarding
15 Consent to Email Service is also available on the Commission's website (www.azcc.gov) by clicking
16 on "Email Service Consent."

17 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
18 31, 38, 39, and 42 and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

19 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
20 Communications) applies to this proceeding and shall remain in effect until the Commission's Decision
21 in this matter is final and non-appealable.

22 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
23 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
24 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances at
25 all hearings and procedural conferences, as well as all Open Meetings for which the matter is scheduled
26 for discussion, unless counsel has previously been granted permission to withdraw by the
27 Administrative Law Judge or the Commission.

1 IT IS FURTHER ORDERED that the Presiding Administrative Law Judge may rescind, alter,
2 amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by
3 ruling at hearing.

4 DATED this 8th day of November, 2016.

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7 MARK PRENEY
8 ADMINISTRATIVE LAW JUDGE
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On this 8th day of November, 2016, the foregoing document was filed with Docket Control as a Procedural Order - Grants an Extension of Time, and copies of the foregoing were mailed on behalf of the Hearing Division to the following who have not consented to email service. On this date or as soon as possible thereafter, the Commission's eDocket program will automatically email a link to the foregoing to the following who have consented to email service.

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Consented to Service By Email

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